

# 97-98

## ANNUAL REPORT

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CS	<input checked="" type="checkbox"/>		OPY	<input checked="" type="checkbox"/>
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YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>



**RAJASTHAN PETRO SYNTHETICS LTD.**



## BOARD OF DIRECTORS

Shri G.S. Poddar  
Shri O.P. Kedia  
Shri T.R. Bajalia  
Shri R. Ganeshan

Managing Director  
Whole Time Director  
Nominee of IDBI  
(Since resigned w.e.f. 30.6.98)

## AUDITORS

M/s Saluja & Associates  
New Delhi

## BANKERS

Canara Bank  
The State Bank Limited  
The Bank of Rajasthan Limited

## REGD. OFFICE & WORKS

F-210, 223, Udyog Vihar,  
RIICO Industrial Area,  
Village Sukher, Distt. Udaipur - 313001

## HEAD OFFICE

416-422, Hemkunt Chambers,  
89, Nehru Place,  
New Delhi

### ANNUAL REPORT

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**NOTICE**

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of RAJASTHAN PETRO SYNTHETICS LIMITED will be held at the Registered Office of the Company at F-210-223, RIICO Industrial Area, Village Sukher, Udaipur-313001 (Rajasthan) on Tuesday, the 29<sup>th</sup> September, 1998 at 3.00 PM. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri O.P. Kedia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution :

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all or any immovable and movable properties of the Company, wheresoever situate, present and future and/or conferring power to enter upon and to take possession of the assets of the Company in certain events, to or in favour of the Industrial Development Bank of India (IDBI) to secure :

1. Non-convertible Debentures not exceeding Rs.15 crores subscribed by IDBI.
2. Together with interest thereon at respective agreed rates, compound/additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses present and future taxes, duties and fees and other monies, payable by the Company respectively to IDBI in terms of their subscription agreement by the Company as amended from time to time in respect of the said issue of Non-convertible Debentures.

RESOLVED FURTHER THAT the mortgage/charges created/to be created and/or all agreement/documents executed/to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified."

5. To consider and if thought fit to pass, with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT consent of the company be and is hereby accorded to delist the Equity shares and debentures of the company on the stock Exchanges at Ahmedabad, Calcutta, Delhi and National Stock Exchange and Board of Directors be and are hereby authorised to take all necessary action in this regard."

By Order of the Board

NEW DELHI  
June 30, 1998

N.P. MATHUR  
Company Secretary

**NOTES :**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote, on a poll only, instead of himself and the proxy so appointed need not be a member of the Company. Proxies in order to be

effective must reach at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 24.9.98 to 29.9.98 (both days inclusive).
3. Members are requested :  
(a) to bring their copy of the Annual Report at the Meeting.  
(b) to notify the change in their address to the Company and always quote their folio numbers in all correspondence with the Company.
4. The Unpaid/Unclaimed dividend for the financial year ended 31.3.1994 has been deposited with the Central Government pursuant to the requirement of the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules 1978.
5. The unpaid/unclaimed dividend for the Financial Year ended 31<sup>st</sup> March, 1994 are required to be transferred to the Central Government Account during the 2<sup>nd</sup> week of November, 1998. Shareholders may immediately write to the company in case Dividend Warrants relating to Financial Year 31<sup>st</sup> March, 1995 issued by the Company for the said Financial Year remain uncollected by them.

**ANNEXURE TO NOTICE**

EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956)

**Item No. 4**

The Company has made arrangements for borrowing an aggregate amount of Rs. 15 crores from The Industrial Development Bank of India (IDBI) by way of subscription to privately placed secured non-convertible debentures (NCDs). This amount has been released by IDBI towards adjustment of various overdues of the Company on the existing Term Loans given by IDBI. The issue of NCDs shall be secured by Mortgage/Charge over the immovable and movable assets of the company, both present and future.

Section 293(f) (b) of the Companies Act, 1956, inter alia, provides that the Board of Directors of a Public Company shall not, except with the consent of the Company in General Meeting, Sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. As the creation of Mortgage and/or Charge as aforesaid may be considered to be disposal of Companies property within the meaning of Section 293(1) (a) of the Companies Act, 1956, this requires Member's approval.

None of the Directors of the Company except Mr. T.R. Bajalia, Director nominated by IDBI, is concerned or interested in the Resolution.

The Board recommends the resolution to be passed.

**Item No. 5**

The Company has listed its Equity Shares and debentures on six Stock exchanges at Ahmedabad, Mumbai, Calcutta, Delhi, Jaipur and National Stock Exchange. In view of negligible amount of trading on certain stock Exchanges at Ahmedabad, Calcutta, Delhi and National Stock Exchange it is proposed that the Company shall proceed to delist the Equity Shares and debentures on these stock Exchanges. However listing of the shares and debentures shall continue at the stock Exchanges at Mumbai and Jaipur.

Board of Directors recommend the resolution for passing by the Shareholders.

By Order of the Board

NEW DELHI  
June 30, 1998

N.P. MATHUR  
Company Secretary

**DIRECTORS' REPORT**

Dear Shareholders,  
Your Directors present before you their Sixteenth Annual Report together with the Audited Accounts for the year ended March 31, 1998.

**FINANCIAL RESULTS**

	Current Year 31.3.1998 (Rs. in lacs)	Previous Year 31.3.1997 (Rs. in lacs)
Profit Before Interest and Depreciation	447.60	605.05
Less : Interest & Finance Charges	403.83	312.04
Profit Before Depreciation	43.77	293.01
Less : Depreciation	238.08	227.96
Profit/(Loss) Before Taxation	(194.31)	65.05
Less : Provision for Taxation	-	8.40
Profit/(Loss) After Tax	(194.31)	56.65
Income Tax Refund for earlier years	26.03	-
Expenses related to previous years	-	80.48
Surplus : As per last Balance Sheet	439.28	480.16
Profit : Available for Appropriation	271.00	456.33

**Appropriations**

Transfer to Debenture Redemption Reserve	-	17.05
Balance Carried to Balance Sheet	271.00	439.28

**DIVIDEND**

Due to financial losses in the year under review, your Directors have decided not to recommend dividend this year.

**OPERATIONAL REVIEW**

Your company was able to sustain the growth in production and sales in terms of quantity. However due to adverse market conditions due to over capacity resulting in severe pressure on prices and margins, production and sales targets in value terms could not be achieved. Consequently company suffered losses during the year.

**EXPANSION & DIVERSIFICATION**

The production in all the lines supplied by Noy Vallsina under diversification project for manufacture of Standard and Dope Dyed Polyester POY have stabilised. Company has commenced commercial production in these lines on 1st April, 1998.

Performance of the lines supplied by Neumag Germany for manufacture of Polypropylene Yarn under Expansion project is satisfactory.

**CURRENT YEAR PROSPECTS**

With expected improvement in general market conditions, sales and prices are expected to pick up in the upcoming season. This it is hoped, shall release the pressure on margins and improve profitability.

**FIXED DEPOSITS**

The fixed deposits outstanding as on 31<sup>st</sup> March, 1998 is Rs. 17.24 lacs.

**INSURANCE**

All properties of the Company including its building, plant and machinery and stocks wherever necessary and to the extent required have been adequately insured.

**RESEARCH & DEVELOPMENT**

During the year under review, new shades of PP Yarn were developed and introduced. In Polyester division also Golden Zari Yarns, Silver Zari Yarns and Fine Denier Dope Dyed Yarn were developed and introduced.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Information pursuant to section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in Annexure-I forming part of this Report.

**DIRECTORS**

Shri Y.H. Dalmia, Shri P.L. Pasricha, Shri K.M. Poddar and Shri S.S. Poddar have resigned from the Board. The Board places on record its deep sense of appreciation and gratitude for the valuable services rendered by all these directors.

Shri O.P. Kedia retire by rotation pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company and being eligible, offer himself for re-appointment.

**AUDITORS REPORT**

With reference to note II-E of schedule 'O' of the Accounts the Polyester Plant did not fulfill the quality norms guaranteed in the contract resulting in lower realisation of sale proceeds and in order to compensate the lower realisation the amount received against encashment of Performance Bank Guarantee has been adjusted towards the cost of trial production.

Since other observations made by the Auditors in their Report are self explanatory and having been dealt with in the Notes to the Accounts, these do not require further clarification.

**SUBSIDIARY**

The report and accounts of Poddar Petrochem Limited and Ceeta Synthetics and Turfs Limited for the year ended 31<sup>st</sup> March, 1998 are annexed.

**AUDITORS**

M/s Saluja & Associates, Chartered Accountants, the Auditors of the Company retire at the ensuring Annual General Meeting and being eligible, offer themselves for re-appointment.

**PERSONNEL**

Barring a recent disturbance, Industrial relations, by and large, remained cordial throughout the year. Long term settlement with the workers have come to an end on 31<sup>st</sup> March, 1998. Fresh charter of Demand has been received and negotiations with the Union is going on. It is expected that long term settlement for further 3 year will be settled shortly. Meanwhile workers have adopted go-slow affecting production adversely. The information required under Section 217(2A) of the Companies Act, 1956 are set out in Annexure II forming part of this report.

**ACKNOWLEDGEMENT**

We wish to express our grateful appreciation for the continued valuable assistance, co-operation and support received by the company from its Bankers, Financial Institutions, Central and State Government and its agencies.

For and on behalf of the Board

NEW DELHI  
June 30, 1998

(O.P. KEDIA)  
Whole time Director

(G.S. PODDAR)  
Managing Director



**ANNEXURE-I TO THE DIRECTORS REPORT**

[Additional information given as required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.]

**I CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO.**

In pursuant to energy conservation, following actions were taken in the current year :

1. Replaced conventional aluminium blades of cooling tower fans by FRP-Aerofoil section blades to save energy.
2. Airwashers systems installed in processing area to reduce refrigeration load.
3. Low efficiency M.S. tube heat exchangers were replaced by copper tube heat exchangers in air compressors to save energy.
4. We have started Replacing blown flourscent tubes of 40 watts by now 36 watts and ordinary chokes by energy efficient electric ballast.
5. New capacitors installed to improve power factors.

**FORM-A**

i) Power & Fuel consumption :	Current Year	Previous Year
<b>ELECTRICITY.</b>		
a) Purchased Units (In lacs)	67.80	50.82
Total Amount (Rs. in lacs)	220.83	144.15
Rate/Unit (Rs.)	3.25	2.84
b) Own generation :		
Through Diesel Generators		
Units (in Lacs)	213.65	187.92
Units per Ltr. of diesel oil	3.62	3.46
cost/Unit (Rs.)	2.32	2.26
ii) Consumption per unit of Production		
Production of Yarn (M.T.)	5828.33	5072.90
Electricity per (M.T.) of production (units)	4829.00	4706.18

**FORM-B****II. TECHNOLOGY ABSORPTION**

Efforts made in Technology absorption as per Form B of the Annexure to the rules.

**A) RESEARCH AND DEVELOPMENT (R & D)****a) Specific areas in which R & D was carried out by The Company**

The company has well equipped R & D division which continued its activities through out the year Specifically, following are the new products developed:

1. New shades developed as required by market in P P filament yarn.

2. To avoid imports, introducing indigenous spin finish oil for P P filament yarn.
3. Development of suitable P P chips indigenously for P P filament yarn.
4. Development of new product for broided laces in P P filament yarn.
5. Development of polyester air textured yarn as per special market requirement.
6. Shades developed for introduction of Golden Zari and Silver Zari and German Blue Yarns.

**b) Benefits derived as a result of R & D.**

The Company by its efforts of developing more and more new products in dope dyed polyester filament POY/textured yarns will be able to cater the market where high bulk yarns are required. Such high bulk yarn are not possible by solution dyed process which is largely employed these days for making dyed polyester textured yarns. Furthermore, the process of dope dyeing does not produce any pollution.

**(B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :****a) Efforts in this direction**

The new technology imported from M/s Noy Vallesina is under advanced stage of absorption and the company is planning to market ultra fine 0.5 dpf PFY Yarns in the market in near future.

**b) Results derived as a result of above efforts**

High Value added products were produced and being marketed.

**c) Technology imported during the last five years**

a) Technology Imported	Knowhow for PP POY Yarns	Knowhow for Polyester micro filament Yarns
b) Year of Import	1995-96	1995-96
c) Has technology been fully absorbed	Yes	Under progress

**III FOREIGN EXCHANGE EARNINGS AND OUTGO**

	Amount (Rs. in Lacs)	
	1997-98	1996-97
(a) Foreign Exchange Earnings		
FOB value of Exports	171.96	121.18
(b) Foreign Exchange Outgo		
(i) CIF value of Imports		
- Raw Material	1191.30	1457.92
- Stores & Spares	159.19	146.22
- Capital goods	68.50	109.65
(ii) Others	1.64	1.53

For and on behalf of the Board

NEW DELHI  
June 30, 1998

O.P. Kedia  
Whole time Director

G.S. Poddar  
Managing Director

**ANNEXURE-II TO THE DIRECTORS REPORT**

Information pursuant to the provisions of Sec. 217(2A) (b) (ii) read with Companies (Particulars of Employees) Rules, 1975 & forming part of the Directors' Report for the year ended on 31<sup>st</sup> March, 1998

S. No. of the Employee	Name	Designation	Remuneration Rs.	Qualification	Age/ Exp. Yrs.	Date of Commencement	Particulars of Last Employer	Employment Designation	Duration Yrs.
<b>(A) Employed throughout the Financial Year and were in receipt of remuneration of not less than Rs. 3,00,000/-</b>									
1.	G.S. Poddar*	Managing Director	4,70,627	B.Com, LLB	55/32	06-12-84	—	—	—
2.	O.P. Kedia*	Whole Time Director	3,66,248	B.Com, LLB	57/32	01-02-85	Bombay Potteries & Tiles Ltd.	Vice President	3
3.	A.K. Mittal*	Executive Director	4,33,906	B.Sc. (Textile)	52/31	01-07-83	J.K. Synthetics Ltd.	Production Manager	2½
4.	R.G. Choudhary	Vice President (Works)	3,17,443	B.Sc. (Mech. Eng.)	47/25	05-04-89	H.D.C. Ltd., Bharatpur	Executive Asstt.	9

1\* Appointments are contractual.

2. Remuneration include Salary, Company's Contribution to P.F., Other Allowances, Leave Encashment, Reimbursement of Medical Expenses, Leave travel Allowances, etc.



## AUDITORS' REPORT

### TO THE MEMBERS OF RAJASTHAN PETRO SYNTHETICS LIMITED

We have audited the attached Balance Sheet of Rajasthan Petro synthetics Limited as at 31<sup>st</sup> March, 1998 and Profit & Loss account of the Company for the year ended on that date annexed thereto and report as under :

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Central Government Under Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that -

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from examination of those books.
- c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
- d) In our opinion and to the best of our information and

according to the explanations given to us, the said accounts subject to note II(E) relating to adjustment of encashment of Performance Bank Guarantee to the cost of Trial Run production in place of Capital work in Progress resulting decrease of loss by Rs. 285.25 lacs and read together with accounting policies and other notes appearing in Schedule 'O' give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

- i) In the case of Balance Sheet, of State of Affairs of the company as at 31<sup>st</sup> March, 1998 and
- ii) In the case of Profit & Loss Account of the Loss for the year ended on that date.

For SALUJA & ASSOCIATES  
CHARTERED ACCOUNTANTS

NEW DELHI  
June 30, 1998

(V.K. VERMA)  
PARTNER

### Annexure referred to in Paragraph (1) of our Report of even date :

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for additions made during the year which are being updated. The Company has formulated a programme to cover physical verification of all the fixed assets in a phased manner over a period of three years, which in our

opinion is reasonable having regard to the size of the company and the nature of assets. In conformity with such programme, a physical verification was carried out by the Management during the year which revealed no significant discrepancies.

2. None of the fixed assets of the Company have been revalued during the year.
3. The stock of finished goods, stores, spare parts and raw materials except in the case of material lying with outside parties and bonded warehouses have been physically verified during the years by the management. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to explanation given to us, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on Physical verification of the Stocks of Raw Material, Store and Spares and finished goods, between the physical verification and the books records were not significant and the same have been properly dealt with in the books of the account having regard to the size of the operations of the company.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper and is in accordance with normally accepted accounting principles.
7. The company has taken loans, from companies listed in the register maintained under section 301 of the Companies Act, 1956. The terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
8. The company has not granted any loans, secured or unsecured to Companies, Firms and other parties listed in the register maintained Under Sec. 301 and 371 (3) of the Companies Act, 1956. However an interest free loan of Rs. 2.25 lacs was given to "Ceeta Synthetics & Turfs Ltd.", a fully owned subsidiary company. As explained to us, there is no company under the same management within the meaning of section 370 (IB) of the Companies Act, 1956.
9. i) The Company has given interest free loans to employees, who are repaying principal amount regularly as stipulated.  
ii) The Company has given Loan/Advances to other companies during the year. The principal amount and interest thereon have been regularly repaid as stipulated.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to sale of goods.



11. According to information and explanations given to us the transactions of purchase of goods, materials and sale of goods materials and services aggregating during the year to Rs. 50000/- or more in respect of each party made in pursuance of contracts or arrangements entered in the register maintained under Sec. 301 of the Companies Act, 1956, have been made at prices, which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transaction for similar goods or services have been made with other parties.
12. As explained to us, the Company has a regular procedure for determination of unserviceable or damaged stores and spares, raw materials and finished goods. However the management has certified that there are no such materials requiring any provisions in the accounts under review.
13. The Company has complied with the provisions of Section 58 A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposits accepted by it from the public.
14. In our opinion, reasonable records have been maintained by the company for the sale and disposal of waste generated during production. As explained to us, the Company has no by-products.
15. The internal audit of the Company has been conducted by a firm of Chartered Accountants for the year under review. On the basis of the reports submitted by the internal auditors to the management, in our opinion the internal audit system is commensurate with the size of the company and nature of its business.
16. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost record U/S 209 (1) (D) of Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the cost records of the Company.
17. The company has generally been regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities during the year. There are no arrears of such dues as at 31<sup>st</sup> March, 1998.
18. According to information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31<sup>st</sup> March, 1998 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us and on the basis of the records examined by us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under the contractual obligations or in accordance with generally accepted business practices.
20. The Company is not a Sick Industrial Company within the meaning of clause (i) of sub section (1) of section 3 of Sick Industrial Companies (Special Provisions) Act, 1985.

**For SALUJA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

NEW DELHI  
June 30, 1998

**(V.K. VERMA)**  
PARTNER



## BALANCE SHEET AS AT 31st MARCH, 1998

	Schedule	As at 31.3.1998 Rs.	As at 31.3.1997 Rs.
<b>I. SOURCES OF FUNDS</b>			
<b>1. Share Holders Funds</b>			
a) Share Capital	A	160842219	160842219
b) Reserves and Surplus	B	244117970	262555678
		<u>404960189</u>	<u>423397897</u>
<b>2. Loan funds</b>			
a) Secured Loans	C	836209184	743036271
b) Unsecured Loans	D	6291368	25066021
		<u>842500552</u>	<u>768102292</u>
<b>TOTAL</b>		<u>1247460741</u>	<u>1191500189</u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>	E		
a) Gross Block		575637067	574189458
b) Less: Depreciation		<u>267080670</u>	<u>241767941</u>
<b>Net Block</b>		<u>308556397</u>	<u>332421517</u>
c) Capital Work in Progress including Capital Advances and Pre-operative expenses		717164458	612692749
		<u>1025720855</u>	<u>945114266</u>
<b>2. Investments</b>	F	<u>64190750</u>	<u>63990750</u>
<b>3. Current Assets, Loans and Advances</b>	G		
a) Inventories		160086342	143013347
b) Sundry Debtors		92111338	86426189
c) Cash and Bank Balances		24338188	26496992
d) Loans and Advances		<u>53342197</u>	<u>85953530</u>
		<u>329878065</u>	<u>341890058</u>
<b>Less : Current Liabilities and Provisions</b>	H		
a) Current Liabilities		176652042	164840179
b) Provisions		<u>2593883</u>	<u>2532719</u>
		<u>179245925</u>	<u>167372898</u>
<b>Net Current Assets</b>		<u>150632140</u>	<u>174517160</u>
<b>4. Miscellaneous Expenditure</b>	I	<u>6916996</u>	<u>7878013</u>
<b>TOTAL</b>		<u>1247460741</u>	<u>1191500189</u>
Notes to Accounts	O		

In terms of our attached report of even date

For Saluja & Associates  
Chartered AccountantsNEW DELHI  
June 30, 1998V.K. VERMA  
PartnerN.P. MATHUR  
Company SecretaryO.P. KEDIA  
Whole Time DirectorG.S. PODDAR  
Managing Director





# **PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 1998**

	Schedule	Previous Year Rs.
<b>INCOME</b>		
Sales		536201739
Other Income	J	5448143
Increase/(Decrease) in Stock	K	34743173
		<u>576393063</u>
<b>EXPENDITURE</b>		
Manufacturing Expenses	L	356766501
Purchases		1498854
Selling, Administrative & Other Expenses	M	41249611
Debenture/Capital Issue Expenses Written Off		216779
Excise Duty		116154610
		<u>515888355</u>
Profit before Interest and Depreciation		60504668
Interest and Finance Charges	N	31203726
Profit before Depreciation		29300942
Depreciation (Refer Note-II D in Schedule 'O')		22796473
Profit before Tax		6504469
Provision for Tax		840000
Profit after Tax		5664469
Income Tax refund for earlier year		-
Expenses Related to Previous year		8047507
Surplus as per last Balance Sheet		48015798
Profit Available for Appropriation		45632760
Transfer to Debenture Redemption Reserve		1705000
Profit Available for Distribution		43927760
Surplus Carried to Balance Sheet		43927760
Notes to Accounts	O	

In terms of our attached report of even date

for Saluja & Associates  
Chartered Accountants

NEW DELHI  
June 30, 1998

V.K. VERMA  
Partner

N.P. MATHUR  
Company Secretary

O.P. KEDIA  
Whole Time Director

G.S. PODDAR  
Managing Director